

Senate Bill 522

Sponsored by Senator GIROD (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Directs Division of Audits to conduct certain performance audits and issue recommendations for addressing risks. Requires audited entities to respond to recommendations and to report to division on implementation of recommendations.

Requires division to report to legislative committees on implementation of recommendations by audited entities and to verify implementation of recommendations.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to performance audits; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) The Division of Audits shall conduct performance audits on the following**
5 **subjects:**

6 (a) **The Department of Education;**

7 (b) **The activities of the State Forestry Department relating to budget management;**

8 (c) **The activities of the Department of Consumer and Business Services relating to oc-**
9 **cupational safety and health;**

10 (d) **The activities of the Department of Revenue relating to the corporate activity tax**
11 **imposed under ORS 317A.100 to 317A.158;**

12 (e) **The activities of the Department of Transportation relating to the use of moneys in**
13 **the State Highway Fund; and**

14 (f) **The State Department of Energy.**

15 (2) **The division shall complete the performance audits required under this section on or**
16 **before January 31, 2022.**

17 (3) **As used in this section, "performance audit" has the meaning given that term in ORS**
18 **297.070.**

19 **SECTION 2. (1)(a) In each performance audit report required under section 1 of this 2021**
20 **Act, the Division of Audits shall include specific recommendations for addressing identified**
21 **risks and weaknesses, in accordance with the Generally Accepted Government Auditing**
22 **Standards promulgated by the United States Government Accountability Office.**

23 (b) **Each entity that was a subject of the performance audit shall respond in writing to**
24 **the division, specifically stating whether the entity agrees or disagrees with each recom-**
25 **mendation. For each recommendation with which the entity agrees, the entity shall identify**
26 **the staff position responsible for implementing the recommendation and the time frame for**
27 **implementing the recommendation.**

28 (2) **Each entity that was a subject of the performance audit shall report to the division**
29 **on the implementation of the recommendations no later than one year after the audit report**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 is issued or 10 business days after all recommendations with which the entity agreed are
2 implemented, whichever is earlier.

3 (3) After receiving a report from an audited entity under subsection (2) of this section,
4 the division shall submit a written report describing the entity's implementation of the rec-
5 ommendations to the Joint Legislative Audit Committee and to an appropriate standing or
6 interim committee or subcommittee of the Legislative Assembly designated by the Legisla-
7 tive Fiscal Officer.

8 (4) Using a risk-based methodology, the division shall verify an audited entity's imple-
9 mentation of the recommendations.

10 (5) The requirements imposed on audited entities by this section are in lieu of the re-
11 quirements imposed on audited entities by ORS 297.070.

12 SECTION 3. This 2021 Act takes effect on the 91st day after the date on which the 2021
13 regular session of the Eighty-first Legislative Assembly adjourns sine die.

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